

NEWS

Federal Government Partial Shutdown – The Office of Consumer Affairs and Business Regulation and Division of Banks Offer Advice for Those Experiencing Financial Hardship

1/23/2019

Office of Consumer Affairs and Business Regulation

Division of Banks

CONSUMER/SMALL BUSINESS ADVISORY:

Today marks the 33rd day of the partial Federal Government shutdown. It is the longest shutdown in American history.

Impact on Federal Employees:

Among the hardest hit by the effects of the shutdown are federal employees and federal contractors, many of whom are either furloughed and not being paid or are required to work without pay. Some of these employees are eligible for unemployment benefits while others are not. There are approximately 47,000 federal employees in the Commonwealth.

- Some banks and credit unions in the Commonwealth, and throughout the country, have announced that they are waiving fees and offering low or zero interest loans to customers that are federal employees to assist them during the shutdown.
- The Massachusetts Division of Banks, consistent with the federal financial regulatory agencies, has published a [statement encouraging financial institutions to work with customers impacted by the shutdown](#) (</news/massachusetts-division-of-banks-guidance-on-government-shutdown>). The Division has also published [information regarding the impacts of the shutdown on the financial services industry](#) (</news/information-regarding-the-impact-of-partial-federal-government-shutdown-on-financial-services>).
- Similarly, some mortgage servicers are offering assistance, such as forbearance, to federal employees having difficulty making mortgage payments.
- Consumers affected by the shutdown are strongly advised to contact their lenders or loan servicers immediately should they encounter or anticipate any financial hardship.

Other Potential Impacts on Consumer and Small Business Lending:

- The [Federal Small Business Administration](#) (<https://www.sba.gov>) (SBA) is shut down. There is some limited processing of disaster loans available, but most programs have been stopped during the shutdown. Information on SBA operations is posted [here](#) (<https://www.sba.gov/document/report--sba-plan-operating-event-lapse-appropriations>) and the SBA [Plan for Operating in the Event of a Lapse in Appropriations](#) (<https://www.sba.gov/sites/default/files/2018-12/SBA%20Shutdown%20Plan%20December%202018.pdf>) can be found there.
- Small business owners will likely experience loan approval delays for loans guaranteed through the SBA programs. This includes business owners and private non profits from Essex, Middlesex and Suffolk Counties in Massachusetts and Hillsborough and Rockingham Counties in New Hampshire that have applied for a SBA [Economic Injury Disaster Loan](#) (</news/governor-baker-and-merrimack-valley-local-officials-announce-2-million-recapitalization-of>) following the Merrimack Valley gas incident. Business owners are advised to contact their local financial institutions to seek temporary or permanent assistance.

- The **U.S. Department of Housing and Urban Development** (<https://www.hud.gov/>) (HUD) is also shut down. Applicants for Federal FHA-insured loan products administered by HUD will likely be experiencing delays as the FHA is unable to underwrite or approve new loans.
- HUD has published a **contingency plan** (<https://www.hud.gov/sites/documents/HUDCONTINGENCYPLANFINAL.PDF>) that outlines what is happening during the shutdown.

Contact information for Massachusetts **banks and credit unions** (</info-details/locate-a-bank-or-credit-union-and-their-regulator>) and **loan servicers** (</lists/download-a-list-of-approved-licensees>) is available on the Massachusetts Division of Banks website or, for mortgage lenders and servicers, through NMLS Consumer Access at www.nmlsconsumeraccess.org/ (<http://www.nmlsconsumeraccess.org/>). You may also call the Division's Consumer Assistance line at 617-956-1501 or email at dobconsumer.assistance@mass.gov (<mailto:dobconsumer.assistance@mass.gov>).

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